

# Private Prisons

Analyst: Burns

## Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
<b>BY FUND CATEGORY</b>					
General	28,504,000	28,395,500	25,784,800	27,790,500	26,378,400
Dedicated	336,700	205,900	0	0	0
<b>Total:</b>	<b>28,840,700</b>	<b>28,601,400</b>	<b>25,784,800</b>	<b>27,790,500</b>	<b>26,378,400</b>
Percent Change:		(0.8%)	(9.8%)	7.8%	2.3%
<b>BY OBJECT OF EXPENDITURE</b>					
Operating Expenditures	24,336,700	23,325,200	25,488,000	27,790,500	26,378,400
Capital Outlay	4,504,000	5,276,200	296,800	0	0
<b>Total:</b>	<b>28,840,700</b>	<b>28,601,400</b>	<b>25,784,800</b>	<b>27,790,500</b>	<b>26,378,400</b>

## Division Description

The privately operated state prison was completed in September 1999 and turned over to the Corrections Corporation of America until the state opened the prison in July 2000. The Corrections Corporation of America (CCA) was selected to design, build, and operate the facility. The construction was financed with bonds through the Idaho Building Authority (IBA). Bonds were issued through the IBA, and the first of 27 payments to the IBA started in July 2000. The cost to build the facility was \$49,986,944. This included all design and construction costs to provide the state with a complete, furnished facility.

The occupancy contract with CCA requires that the contractor operate the facility in conformance with department policy. CCA is also responsible to hire and train all staff necessary to operate the facility. The department is responsible to monitor and enforce the operational contract. CCA's operational contract is based on a unit cost per inmate and is for an initial three-year period.

The prison is a combination 1,272-bed medium and minimum custody institution. There are three 128-cell housing-units for medium security inmates. Each of these cells house two inmates. There are two 252-bed minimum security dormitory units. There are also 44 administrative segregation cells that accommodate one inmate per cell. In addition to the housing units the private prison has a medical treatment area, laundry facility, kitchen and group dining, occupational training areas with classrooms, indoor and outdoor recreational areas, religious and visiting areas, and administrative offices.

While the safe operating capacity of the facility is 1,272 beds, the Department of Correction negotiated a contract with Corrections Corporation of America to add 242 new beds in FY 2007 so offenders would be housed in Idaho and not out-of-state. Savings from not moving offenders out-of-state was used to house offenders at the private prison, bringing the total number of beds to 1,514 at the private facility.

In addition, a 324-bed cellblock is now under construction at the privately run facility. The contractor, Washington Group International, broke ground last January and the wing should be complete in October 2009. Once completed, capacity at the private prison will increase to 1,838.

Last session, the Legislature approved S1508 that appropriated \$4,608,200 for FY 2008 to convert a state-owned warehouse at the private prison into a 304 minimum custody housing unit to provide therapeutic community treatment. The bill also appropriated \$1,017,000 for FY 2009 to cover facility supplies and equipment. The two-year fiscal impact of this piece of legislation was an increase of \$6,096,500 from the General Fund, and a reduction of \$471,300 from dedicated funds for a total of \$5,625,200. The reduction in dedicated funds was required due to a loss in revenue and penalty fees as a result of making this conversion, and is replaced with General Funds. Intent language was also included in the bill that authorized the department to transfer any unobligated General Funds appropriated to the Department of Correction for fiscal year 2008, to the Idaho State Building Authority for aiding in the conversion of this facility. It is anticipated that if all goes well, this facility could be operational early next year and bring total capacity at this facility to 2,142.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2009 Original Appropriation</b>	<b>0.00</b>	<b>25,784,800</b>	<b>25,784,800</b>	<b>0.00</b>	<b>25,784,800</b>	<b>25,784,800</b>
Removal of One-Time Expenditures	0.00	(1,421,000)	(1,421,000)	0.00	(1,421,000)	(1,421,000)
Additional Base Adjustment	0.00	0	0	0.00	(1,412,100)	(1,412,100)
<b>FY 2010 Base</b>	<b>0.00</b>	<b>24,363,800</b>	<b>24,363,800</b>	<b>0.00</b>	<b>22,951,700</b>	<b>22,951,700</b>
Statewide Cost Allocation	0.00	4,000	4,000	0.00	4,000	4,000
<b>FY 2010 Program Maintenance</b>	<b>0.00</b>	<b>24,367,800</b>	<b>24,367,800</b>	<b>0.00</b>	<b>22,955,700</b>	<b>22,955,700</b>
1. Reduction in Daily Rate	0.00	(2,984,300)	(2,984,300)	0.00	(2,984,300)	(2,984,300)
2. PIE Conversion	0.00	1,029,200	1,029,200	0.00	1,029,200	1,029,200
3. 324-Bed Expansion	0.00	4,046,900	4,046,900	0.00	4,046,900	4,046,900
4. 304-Bed Expansion	0.00	1,330,900	1,330,900	0.00	1,330,900	1,330,900
Lump Sum or Other Adjustments	0.00	0	0	0.00	0	0
<b>FY 2010 Total</b>	<b>0.00</b>	<b>27,790,500</b>	<b>27,790,500</b>	<b>0.00</b>	<b>26,378,400</b>	<b>26,378,400</b>
Change from Original Appropriation	0.00	2,005,700	2,005,700	0.00	593,600	593,600
% Change from Original Appropriation		7.8%	7.8%		2.3%	2.3%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2009 Original Appropriation</b>	0.00	25,784,800	0	0	25,784,800
<b>Removal of One-Time Expenditures</b>					
Agency Request	0.00	(1,421,000)	0	0	(1,421,000)
Governor's Recommendation	0.00	(1,421,000)	0	0	(1,421,000)
<b>Additional Base Adjustment</b>					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 3.9% reduction for the agency bringing the FY 2010 Base 8.7% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(1,412,100)	0	0	(1,412,100)
<b>FY 2010 Base</b>					
Agency Request	0.00	24,363,800	0	0	24,363,800
Governor's Recommendation	0.00	22,951,700	0	0	22,951,700
<b>Statewide Cost Allocation</b>					
The request reflects an adjustment in property and casualty insurance premiums.					
Agency Request	0.00	4,000	0	0	4,000
Governor's Recommendation	0.00	4,000	0	0	4,000
<b>FY 2010 Program Maintenance</b>					
Agency Request	0.00	24,367,800	0	0	24,367,800
Governor's Recommendation	0.00	22,955,700	0	0	22,955,700
<b>1. Reduction in Daily Rate</b>					
<b>Idaho Correctional Center</b>					
The department is in the process of awarding a new contract for operation of the Idaho Correctional Center (ICC). This new contract will include medical services. The department estimates the per diem cost of the new contract will drop from a high of \$46.23 down to \$40 per inmate day.					
Agency Request	0.00	(2,984,300)	0	0	(2,984,300)
Governor's Recommendation	0.00	(2,984,300)	0	0	(2,984,300)
<b>2. PIE Conversion</b>					
<b>Idaho Correctional Center</b>					
Funding is requested to replace a loss of PIE revenue and penalty fees for the privately operated Idaho Correctional Center. With the conversion of the ICC Industries Building to a housing unit, CCA would be exempt from paying penalties and transferring revenues to the Department of Correction. For FY 2009, the Legislature used one-time moneys to fund this loss.					
Agency Request	0.00	1,029,200	0	0	1,029,200
Governor's Recommendation	0.00	1,029,200	0	0	1,029,200
<b>3. 324-Bed Expansion</b>					
<b>Idaho Correctional Center</b>					
A new 324-bed close custody housing unit is currently being constructed at ICC, and is scheduled to open in August 2009 at an estimated cost of \$40 per inmate day. The estimated \$40 per diem rate will include medical coverage. As part of this addition, 22 existing double bunk close custody cells will be converted into single bunk segregation cells. The net increase of 302 beds will bring the operating capacity of the privately operated prison up to 1,816 offenders.					
Agency Request	0.00	4,046,900	0	0	4,046,900
Governor's Recommendation	0.00	4,046,900	0	0	4,046,900
<b>4. 304-Bed Expansion</b>					
<b>Idaho Correctional Center</b>					
The state has contracted for the renovation of the Idaho Correctional Center Industries Building, or PIE building, which will add a 304-bed dorm style housing unit. The renovation project should be completed and ready for occupancy in August 2009 at an estimated cost of \$40 per inmate day. The estimated \$40 per diem rate will include medical coverage. The addition of 304 beds will bring the operating capacity of the privately operated prison up to 2,120 offenders.					
Agency Request	0.00	1,330,900	0	0	1,330,900
Governor's Recommendation	0.00	1,330,900	0	0	1,330,900

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Lump Sum or Other Adjustments</b>					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an appropriation that is not subject to state budget laws that restrict the transfer of money between personnel costs, operating expenditures, capital outlay, or trustee &amp; benefit payments.</i>					
<i>Lump sum authority requires legislative approval.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2010 Total</b>					
Agency Request	0.00	27,790,500	0	0	27,790,500
Governor's Recommendation	0.00	26,378,400	0	0	26,378,400
Agency Request					
Change from Original App	0.00	2,005,700	0	0	2,005,700
% Change from Original App		7.8%			7.8%
Governor's Recommendation					
Change from Original App	0.00	593,600	0	0	593,600
% Change from Original App		2.3%			2.3%